

**BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 20, 2009 at 7:00 P.M.
PAT BRYSON MUNICIPAL HALL
201 NORTH BRUSHY STREET
LEANDER, TEXAS 78641**

DIRECTORS

Mitch Fuller, President
Vacant, Vice-President
John D. Cowman, Secretary/Treasurer
George White, Director

MINUTES

1. CALL BOARD MEETING TO ORDER – 7:00 p.m.

President Fuller called the meeting to order at 7:12 p.m.

2. ROLL CALL

Directors in Attendance:
President Mitch Fuller
Secretary John Cowman
Director George White

3. CITIZENS COMMUNICATIONS

No one spoke during citizen communications

4. DIRECTOR OPENING COMMENTS

No comments for Secretary Cowman and Director George White.

President Fuller spoke briefly about the fundamentals of this regional water project.

5. APPROVAL OF MINUTES

5A. Consider approval of the BCRUA meeting minutes for March 25, 2009.

MOTION: Secretary Cowman motion to approve the minutes. Director George White seconded the motion.

ACTION: Ayes: Vice-President Fuller
Secretary Cowman
Director George White

VOTE: Approved by unanimous vote

6. **REGULAR BUSINESS:**

6A. Consider the election of the Vice-President for the BCRUA.

MOTION: Secretary Cowman moved to nominate George White as the new Vice-President of BCRUA. President Fuller seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Director George White

VOTE: Approved by unanimous vote

6B. Consider the appointment of a new General Manager for the BCRUA.

This item was tabled for a later date.

7. **PRESENTATIONS:**

7A. Consider a presentation from the BCRUA's financial advisors regarding the appointment of the Bank of New York as the Paying Agent.

Garry Kimball, financial advisor with Specialized Public Finance Inc., discussed specific details of the paying agent position and services.

7B. Texas Water Development Board indication of interest rate:

(1) Consider a presentation from BCRUA's financial advisors and bond counsel regarding receipt of the Texas Water Development Board's indication of interest rate in accordance with the Amended and Restated Financing Agreement

Garry Kimball, financial advisor with Specialized Public Finance Inc., discussed the details of the indication interest rate of 4.75%. This is a lower rate than the targeted rate calculating to 33.5 million dollars, over the 30 year term, which is better than what was budgeted.

(2) Consider action related to proceeding with the BCRUA bond sale through the TWDB.

Carol Polumbo with McCall, Parkhurst & Horton, LLP, explained the necessary steps in order to proceed with the bond sale through the Texas Water Development Board.

MOTION: Secretary Cowman moved to approve the action to proceed with the BCRUA bond sale through TWDB. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8. **RESOLUTIONS:**

8A. Consider a resolution authorizing the President to execute an Interlocal Agreement with the City of Round Rock for cooperative contracting for depository services.

Cindy Demers, Assistant City Manager with the City of Round Rock discussed the details of the depository contract. City of Round Rock & City of Leander both use Bank of America allowing the BCRUA to receive the same terms and pricing which minimizes the administrative costs.

President Fuller commented on the value of going through this process as one entity rather than three separate ones.

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8B. Consider a resolution authorizing the President to execute a contract with the Bank of America, N.A. for depository & banking services.

Cindy Demers, Assistant City Manager with the City of Round Rock explained that this contract is a two year agreement which can extend up to five years and also meets the collateralization requirements.

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8C. Consider a resolution authorizing the President to execute the Bank of America, N.A. deposit account documentation form titled "Banking Resolution and Certificate of Incumbency."

Cindy Demers, Assistant City Manager with the City of Round Rock discussed the required designees as being the BCRUA General Manager and three City Managers.

Resolution 8C – Continued

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8D. Consider a resolution authorizing the President to execute a Collateral Security Agreement with the Bank of America, N.A.

Cindy Demers, Assistant City Manager with the City of Round Rock explained that this agreement sets forth the terms for collateral security agreement.

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8E. Consider a resolution authorizing the President to execute a Tri-Party Collateral Management Agreement with the Bank of America, N.A. and the Bank of New York Trust Company, N.A., including execution of attached Exhibit A (Schedule of Eligible Securities) and Exhibit B (Certificate of Authorized Persons).

Cindy Demers, Assistant City Manager with the City of Round Rock discussed that Bank of New York will maintain the collateral for the BCRUA.

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8F. Consider a resolution authorizing the President to execute a Safekeeping Application and Agreement with Bank of America, N.A.

Cindy Demers, Assistant City Manager with the City of Round Rock discussed the safekeeping of the investment with the Bank of America.

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8G. Consider a resolution approving an Investment Policy for the BCRUA.

Garry Kimball, financial advisor with Specialized Public Finance Inc., explained that the Investment Policy is consistent with the three cities investment policies and that it is a very conservative policy.

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8H. Consider a resolution authorizing the President to execute an Application for Participation in Texas Short Term Asset Reserve Program (TexSTAR).

Cindy Demers, Assistant City Manager with the City of Round Rock briefly discussed the benefits of utilizing TexSTAR.

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8I. Consider a resolution authorizing the President to execute an Escrow Agreement.

Garry Kimball, financial advisor with Specialized Public Finance Inc., spoke briefly about this item.

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

8J. Consider a resolution authorizing the President to execute the Operating Agreement with the cities of Cedar Park, Leander and Round Rock.

Chris Lippe, General Manager of BCRUA, discussed the specific terms of the Operating Agreement for operating and maintaining the project including the allocation of water flows, BCRUA responsibility for the operation of the plant and the development of the BCRUA budget and how the cities will share in the fixed and variable costs.

MOTION: Secretary Cowman moved to approve the resolution. Vice-President White seconded the motion.

ACTION: Ayes: President Fuller
Secretary Cowman
Vice-President White

VOTE: Approved by unanimous vote

9. DIRECTOR COMMENTS

Secretary Cowman recognized City of Leander Council Member Michelle Cantwell.

Vice-President White spoke briefly about the service provided by Chris Lippe.

President Fuller mentioned the hearing at the Texas Water Development Board scheduled for the following day. He briefly summarized the TWDB regional water strategy and how this project executes that strategy. President Fuller committed to a continued dialogue with the Village of Volente. Secretary Cowman & Vice-President White both agreed to continue communication with the Village of Volente as well.

10. ADJOURNMENT

The meeting was adjourned 7:39 p.m.

Minutes respectfully submitted by Monique Adams.